FEDERAL COMMUNICATIONS COMMISSION

OFFICE OF THE SECRETARY



October 12, 2000

Ms. Magalie Roman Salas Office of the Secretary Federal Communications Commission 445 12<sup>th</sup> Street, SW, Room CY-B402 Washington, DC 20554

CC Docket No. CC-00-176 Application of Verizon to Provide Long Distance Service in the Commonwealth of Massachusetts.

Dear Ms. Salas,

I am writing to you in support of the application of Verizon to enter the long distance market.

Please note by way of reference that our firm provides telecommunications research and consulting services. The Telecommunications Insight Group (TIG) has been on the forefront of competitive telecommunications issues such as right-of-way access, telecommunications competition and open access. Our clients include municipalities, universities, developers and corporations. TIG does not represent Verizon or any other telecommunications provider.

As we fast approach another anniversary of the Telecommunications Act of 1996 ("the Act") it is imperative that the Federal Communications Commission continue to make policy decisions that live up to the promise and intent of the Act.

The promise and intent of the Act was to promote competition in all facets of the telecommunications business. The regulatory framework of the Act has clearly done its part in creating a more competitive industry. Today, the telecommunications industry is among the fastest growing industries in our nation. In Massachusetts, in order to meet consumer demand for competitive services, new alternative fiber optic networks continue to grow at record pace, two million square feet of carrier hotel and alternative central office facilities are being built and competitive "last mile" broadband networks have brought competition into the home.

Over the past thirty six months the growth of last mile broadband competition has been particularly robust in Eastern Massachusetts, the most heavily populated portion of

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the Commonwealth. The Greater Boston core of Arlington, Boston, Brookline, Cambridge, Newton, Somerville and Waltham all have competitive facilities based broadband providers offering telephone (both local and long distance), high speed internet and cable television services to every home. Naturally, the competitive facilities based broadband providers (MediaOne/AT&T and RCN) are competing with each other as well as incumbent local exchange provider Verizon. This core group of communities clearly demonstrates that facilities based competition has arrived (albeit slower than most consumers would like) and is thriving. Consumers have choice, alternative pricing points and improved customer service.

Clearly, residential broadband providers are all positioning themselves to be "one stop telecom stores" offering local/ long distance telephone, internet, cable television services and even cellular services on one bill to consumers. The current Massachusetts broadband providers have grown market share by offering this one stop access to consumers. Through the efforts of the Federal Communications Commission, Greater Boston will soon have another one stop, one bill provider in SBC Communications.

The Verizon application before you for entry into the long distance arena must pass all of the "checklist reviews" and the systems and procedures for opening up local competition. In addition, the FCC should consider the broadband playing field as it reviews Verizon's application. Consumers have embraced the broadband concept that allows for such things as a one bill plan for a multitude of telecommunications services. For Verizon to truly compete for this expanding demand it should be allowed entry into the long distance market. If this occurs, Verizon would be able to offer, along with other facilities based providers, equivalent services to consumers.

The telecommunications marketplace certainly warrants the FCC to approve the Verizon application. Nonetheless, the FCC should remember that Verizon is a company born from regional bell operating companies, created and grown in a monopolistic-pre Telecommunications Act regulatory framework.

In approving the Verizon application, the FCC should provide for continued regulatory review of Verizon's performance in opening local markets. This is particularly important as competitive providers commence building outside of the core Greater Boston marketplace in order to bring competition to less populated parts of the Commonwealth of Massachusetts. It is only through this ongoing review of emerging issues that broadband competition can be brought to every home in Massachusetts.

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If I can provide any additional information or testimony to the Commission, please feel free to contact me.

Paul C. Trane

Sincerely,

Principal Consultant

Cc. Senator Edward M. Kennedy Senator John F. Kerry Congressman Michael E. Capuano